

Rougier Group: 2015 earnings

At the Board meeting today, the Directors reviewed and approved the full-year accounts for 2015.

Condensed consolidated income statement

(€'000,000)	2015	2014 restated*
Revenues	164.7	157.8
EBITDA**	12.1	15.1
% of revenues	7.4%	9.6%
Income from ordinary operations	2.9	7.0
% of revenues	1.7%	4.4%
Impairment of assets	(1.5)	-
EBIT	1.0	6.1
% of revenues	0.6%	3.8%
Earnings before tax and share of profit / loss of associates	(2.7)	2.7
Net income*	(3.3)	(1.2)
Net income (Group share)*	(2.5)	(1.3)
% of revenues		
Cash flow from operations*	6.8	7.0

* Restated to correct an error (2014 impact of -€0.7 million on net income and cash flow from operations after cost of net financial debt and tax, and -€0.4 million on net income (Group share))

** Income from ordinary operations before depreciation and provisions

The audit procedures on the consolidated accounts are underway.

Highlights

In a contrasting global environment, the Rougier Group achieved solid revenue growth in 2015 in diversified markets. Nevertheless, more intense competition and a less favorable species-product mix have affected margins, which have also been impacted by additional operational costs linked to a drop in logistical and industrial efficiency in Africa.

In Gabon, the measures launched have enabled plywood and timber production to pick up again. The insufficient level of productivity in the sawmills, the increase in certain operating costs and the decision by the Gabonese authorities to temporarily suspend the harvesting of a high value-added timber species have all impacted earnings, which show a loss.

In Cameroon and Congo, results are positive, while factoring in a high level of additional logistics costs to compensate for the chronic capacity shortfalls faced at Douala Port (Cameroon).

In France, the Import-Distribution branch's results, despite improving in a competitive market, have been restricted by the non-recurring costs recorded.

Profitability

Overall, these trends are reflected in a deterioration in operational profitability for Rougier. EBITDA came to €12.1 million, representing 7.4% of 2015 revenues, compared with 9.6% in 2014. Income from ordinary operations totaled €2.9 million in 2015, compared with €7.0 million in 2014.

EBIT is positive, coming in at €1.0 million and 0.6% of revenues, versus 3.8% last year. For 2015, it includes €1.5 million of write-downs for impairments of fixed assets in Gabon.

More specifically, after taking into account the cost of net debt for €(3.2) million, as well as a €(05) million tax expense and the share of income from the forest plantation business, total net income is negative, with €(3.3) million, including a Group share of €(2.5) million.

Financial structure

Consolidated shareholders' equity represented €57.7 million at 31 December 2015, down €1.7 million from 31 December 2014 (restated), taking into account consolidated income for the year, as well as the capital increase reserved for the company Oronte in November 2015 (+€1.5 million).

Working capital requirements improved during the year, thanks to the reduced level of stocks in Africa, the better collection of trade receivables and, to a lesser extent, the recovery of part of the tax receivables owed by the African states, which are still high, with €13.2 million at 31 December 2015. This positive development has helped drive net financial debt down to €57.1 million at 31 December 2015, versus €60.1 million one year earlier.

Outlook

In 2016, the Rougier Group is supporting its dynamic commercial development, while determinedly moving forward with its plans to reduce costs and improve productivity in all the Group's subsidiaries. This strategy will enable it to further strengthen its overall business performance, particularly in Gabon, while improving performances in Cameroon and Congo, and supporting its commercial developments in France and internationally. Alongside this, the Group will benefit from the first synergies linked to its new activities starting up in the Central African Republic.

The Rougier Group has strong foundations in place to consolidate its pivotal position on the market for sustainably managed tropical timber, with fundamentally buoyant trends for the long term.

Next date: 2016 first-quarter revenues on 12 May 2016 (after close of trading)



www.rougier.fr

Founded in 1923, the Rougier Group is a market leader for certified African tropical timber. The Group has three core business lines: Rougier Afrique International (natural forest harvesting, industrial processing and international trade), Importing and distribution in France of timber from all origins (including Rougier Sylvaco Panneaux) and Plantations (research, management and investment in industrial forest plantations in Africa).



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